



# Bringing Bright Ideas to the Neighborhood





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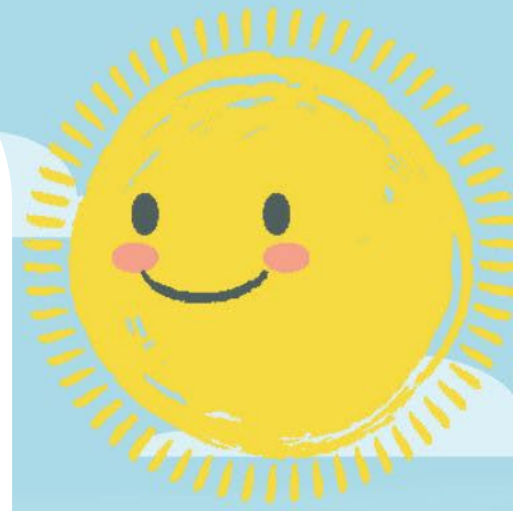


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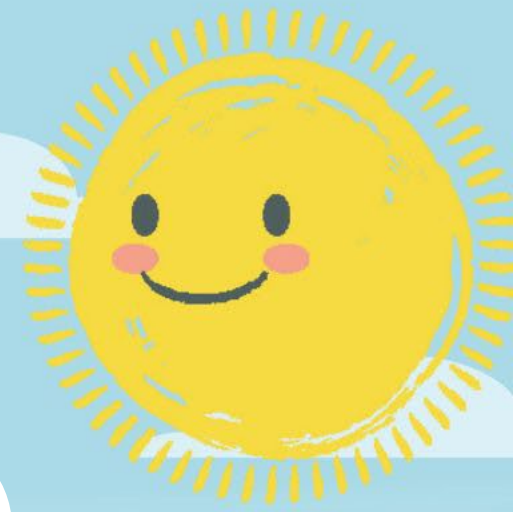


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# Insurance Adolescence Re-learning to Walk in a Hard Market



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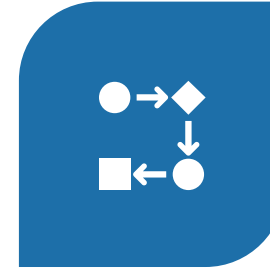
Markus Ashley  
CMCA, AMS  
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WHY ARE WE  
HERE?



HOW DOES IT  
WORK?



WHAT  
SHOULD WE  
BE DOING  
TODAY?



WHAT DOES  
THE FUTURE  
HOLD?



**“HERE IS THE WORLD.**

**BEAUTIFUL & TERRIBLE  
THINGS WILL HAPPEN.**

**DON'T BE AFRAID.”**

**FREDERICK BUECHNER**

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## Why Are we here?

- Industry wide hard market
- Property and liability claims
- Florida loss increases Arizona cost



# Industry Wide Hard Market

Natural Disasters Affecting All  
Parts of the Country

Inflation and Rising  
Reconstruction Costs

Carrier Rating Difficulties



# Property and Liability Claims

More Property Claims + Higher  
Costs = Equals Less Profit

Increased Frequency and  
Larger Settlements

Carrier Adjustments with  
Deductibles and Exclusions





Florida Loss  
Increases  
California Cost



Reinsurance Rates

All Types of Natural Disaster

Fewer Carrier Options to Choose From



## How Does It Work?

- Agents, Brokers, Specialists
- Submission Process
- Delayed proposals and renewals



# Agents, Brokers, Specialists

Captive/Direct Writer

Retail and Wholesale

Not All Insurance People are  
HOA Specialists



# The Submission Process

Typically Starts 90-days From Renewal

Account Review

Quote Review and Proposal Preparation

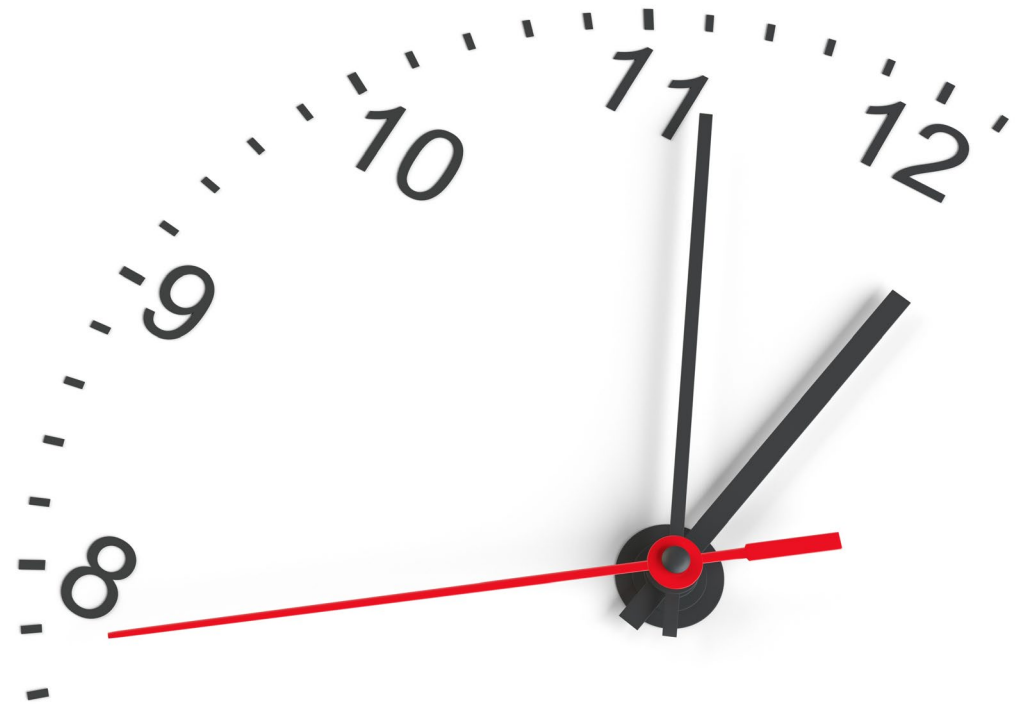


# Delayed Proposals/Renewals

Last Minute Delivery

Carrier Philosophy

Excess/Surplus Lines



# What Should We Be Doing Today?



- Risk management
- Financial planning and component upgrades
- Be transparent



# Risk Management

Expense Exposure

Avoid, Control, Accept

Transfer



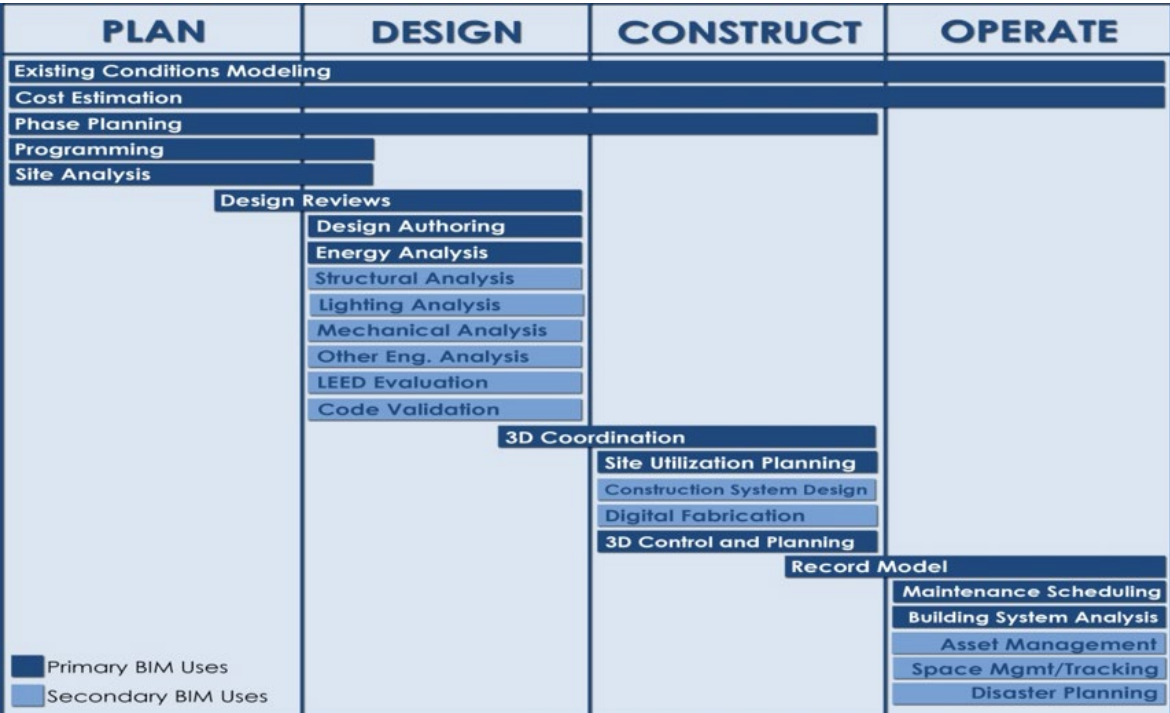
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# Financial Planning and Component Upgrades

Fund  
Reserves  
and Budget  
for  
Insurance

Plan For  
Replacement  
of Unfunded  
Components

Manage Exposure  
by Avoiding,  
Controlling, and  
Accepting Risk



# Be Transparent

Townhalls and Open Meetings

Clarity is Kindness

Set Expectations, Even if it Hurts



# What Does the Future Hold?



- Fewer admitted/preferred carriers
- Creative deductible structures and policy language
- CC&R revisions



# Fewer Admitted/Preferred Carriers

Rating Flexibility

Entry/Exit Freedom

Appetite Diversification



# Creative Deductible Structures And Policy Terms

Less Exposure Transfer to the Carrier

Specific Peril Definitions

Predictive Modeling and Rating

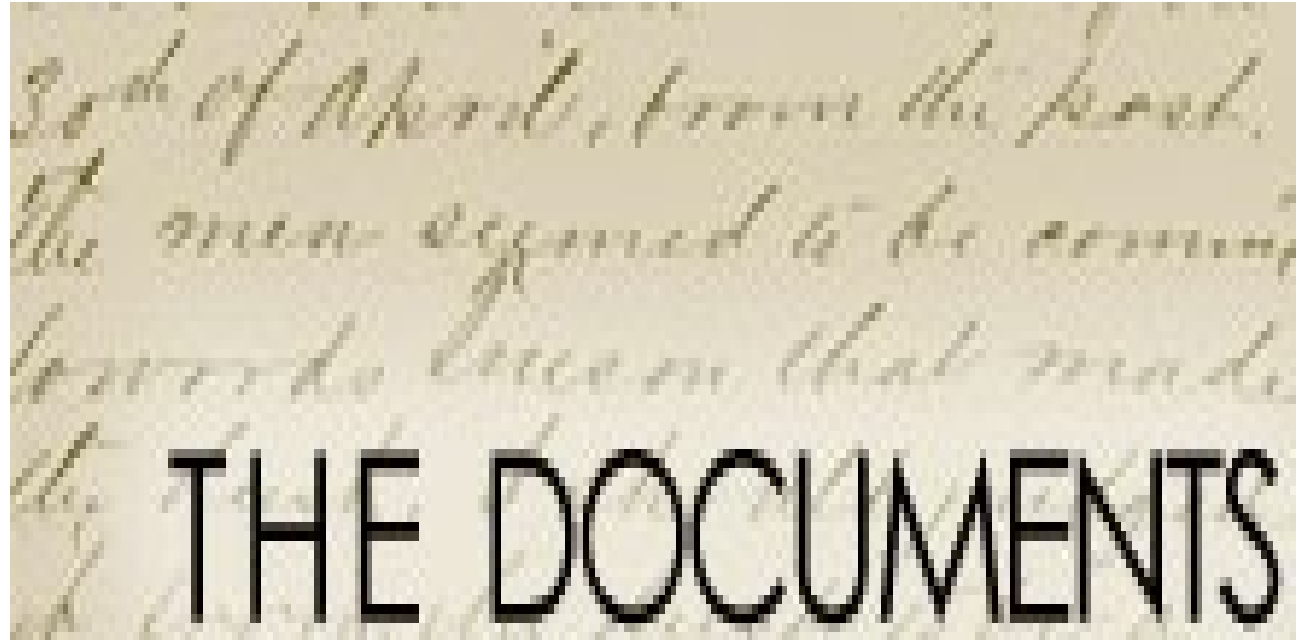


# Governing Documents

Update for Current Legislation

Transition to Bare Walls

Water Intrusion Procedures  
and Maintenance Matrices



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# Final Thoughts Q&A







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**THANK YOU**